

Multi-dimensional Customer Profitability Solution Overview

The combined IBM & Armada Customer Profitability Analytics solution enables you to calculate and proactively manage the profitability of customers through a better understanding of key performance indicators like RAROC or profit & loss at an account level. This solution enables you to derive actionable insight from the vast stores of available customer data so you can better understand needs and gain a unique understanding of your customers - one that cannot be easily replicated by competitors.

The Customer Profitability Analytics solution can help banks obtain the following capabilities:

- Calculate and monitor the profitability of each customer.
- Provide an integrated view of profitability for key dimensions including:
 - Product
 - Line of business/organization
 - Customer
 - Geography
 - Time

- Understand customer needs and propensity to buy new products.
- Enable real-time “What if” profitability scenario analytics.
- Predict customer lifetime value.
- Perform profitability forecasting and planning.
- Get a 360 degree view of customers and their product profiles.

Supports best practice Management Accounting for Funds Transfer pricing, Risk Measurement, and Non-interest expense accounting with the seamless integration of Armada’s cost management software Accumen.

Below is a diagram of the solution highlighting all capabilities:

